Development (Impact) Fees

City of Tucson
Infrastructure Improvements Plan
Fire Facilities

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■ INTRODUCTION

The City of Tucson collects development fees to offset some of the infrastructure costs associated with growth. The City currently charges fees for four public service categories: street facilities, parks and recreational facilities, fire and police. In order to continue assessing and collecting the fees, the City must comply with Arizona Revised Statute ARS §9-463.05, as amended. Consequently, the City is preparing new development fee studies, project lists, fee schedules, and a City ordinance.

The statute codifies Senate Bill 1525, and includes major changes in development fee assessment procedures and programs. It also provides greater specificity regarding the types of "necessary public services" that can be funded with development fees. Prior to calculating the fees, two studies must be prepared: a land use assumptions report, and an infrastructure improvements plan (IIP) for each fee category. As defined in ARS §9-463.05(T)(5), " *'Infrastructure improvements plan' means a written plan that identifies each necessary public service or facility expansion that is proposed to be the subject of a development fee and otherwise complies with the requirements of this section, and may be the municipality's capital improvements plan."*

This report identifies the infrastructure needs for fire facilities for a 10-year planning horizon, and provides fee calculations that will be the basis for establishing fees to fund those facilities. The infrastructure needs are based on land use assumptions provided in a companion document. The land use assumptions were used to estimate the amount of new development projected to occur between 2014 and 2024. The amount and type of fire infrastructure needed to serve the new development was estimated assuming the same level of fire facilities service as is provided to existing development in the City. The preliminary fees provided herein will be finalized in a subsequent document.

Fire Facilities - Defined

The statute identifies what the fees may be used for primarily by stating what they cannot be used for. ARS §9-463.05(B)(5)(b), which identifies fee requirements, states that *"Development Fees may not be used for any of the following: repair, operation or maintenance of existing or new necessary public services or facility expansions."*

Further, ARS §9- 463.05(T)(7)(f) defines the "necessary public services", i.e., the facilities and assets which can be included in the Fire IIP, as follows: *"[F]ire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation."* Also, all facilities for which development fees are collected must have a direct benefit (i.e. a, "nexus") to the new development for which fees are assessed, as indicated below.

City-Wide Service Area

As defined in ARS §9-463.05 (T)(9), *" 'Service area' means any specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan."*

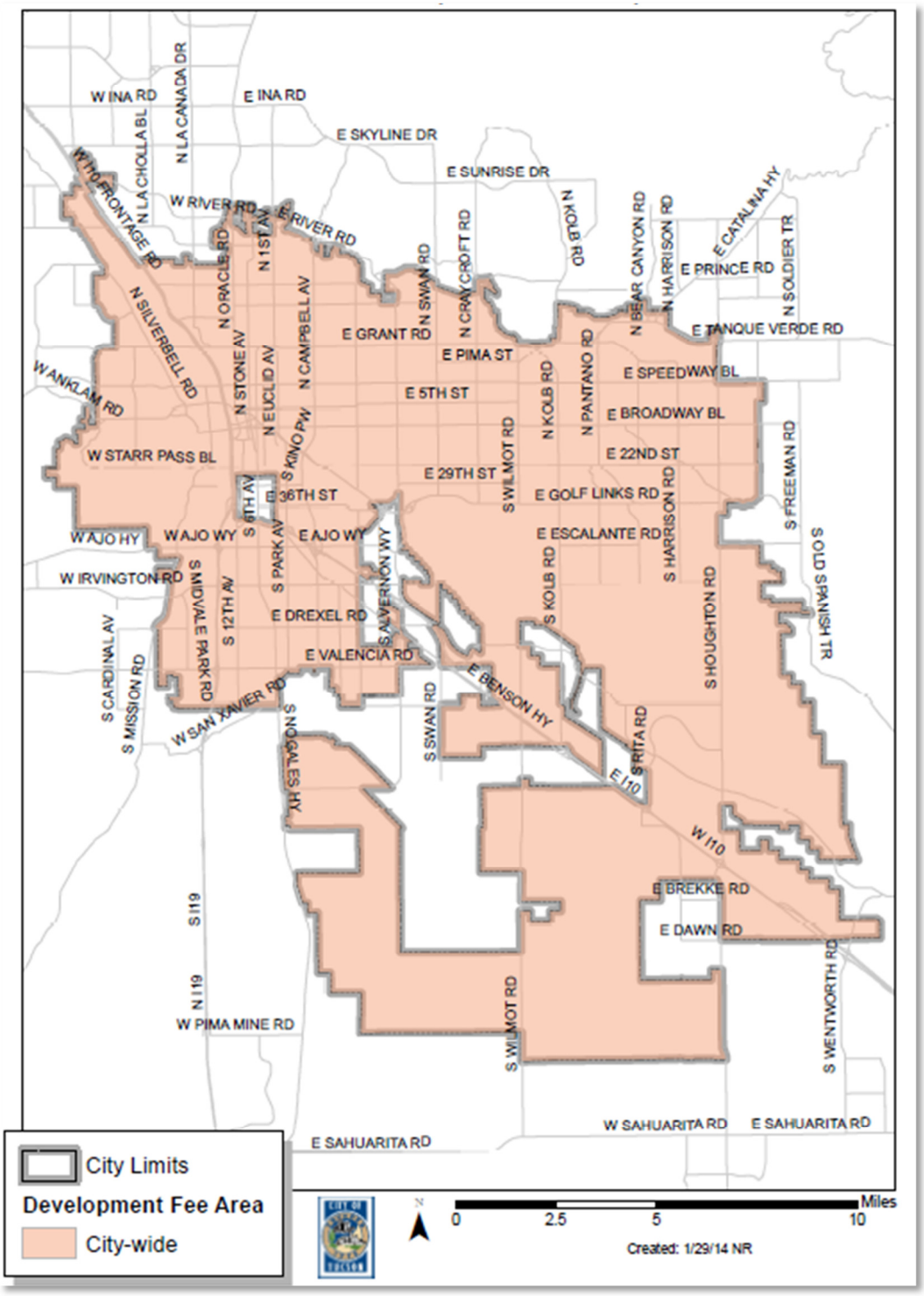
While the City's streets and parks and recreational areas development fees are calculated within five separate service areas or benefit districts, fire and police development fees have been and will continue to be assessed on a city-wide basis. This is because unlike streets and parks facilities, which are in fixed locations, there is flexibility in how police and fire services can be allocated throughout the City at any given time, in response to the need. As indicated in the 2007 City of Tucson Impact Fee Study report[1]:

- The City delivers fire and police services through fully integrated systems. This means that as needs arise in one area of the city, resources from other areas of the city can be applied to meet the needs.
- Many centralized facilities exist that serve the entire city.
- The fire and police departments already have facility planning procedures in place that consider new growth and the proper timing, placement, and location of new facilities and equipment needed to serve new development.
- Investment in facilities and equipment in one area of the city can impact an area several miles away, by freeing up capacity at another facility.

The City-wide fire service area is shown in Exhibit 1.

[1] City of Tucson Department of Urban Planning and Design, and Departments of Finance and Budget, May 2007

Exhibit 1 Fire Facilities Service Area



Methodology

This study uses an incremental expansion method to calculate the fire facilities development fees, which is the same method as is currently used, i.e., prior to this update. This is a standards-based method in that it establishes the current fire service standard, and applies that standard to projected development to estimate future infrastructure needs.

The value of the service standard is estimated by inventorying existing assets, including buildings, land, vehicles and equipment, and assigning a replacement value to each asset type based on current costs, as determined by City staff and professional judgment. This derived value is adjusted to account for outstanding debt on existing facilities; funding from outside sources, such as federal grants; the cost of the fee study; and the current balance of the development fee account. The adjusted value is then applied to the projected new development as indicated in the land use assumptions report, to estimate the future demand for fire services.

There are several advantages to using this approach rather than a general standards-based or plan-based method. Because the fee is based on the existing service provided by the City rather than a specified service standard, the need to calculate existing deficiencies in the level of service provided is eliminated. Secondly, because this method assigns values for specific assets, it more precisely determines the value of the existing level of service. Finally, this method is more flexible than a plan-based method because the fee is based on the existing level of service rather than the estimated cost of proposed projects. This allows the City to more easily amend projects in the IIP to meet changing needs[2]. Key components of the methodology are discussed below.

Proportionate Share, Residential and Non-Residential Development

Both residential and non-residential development generate demand for fire service. Exhibit 2 shows call data from FY 2012-13 based on land use. Discounting the "unclassified" calls, i.e., those for which the originating land use is undetermined, the proportion of calls responded to by the fire department is approximately 71% residential and 29% non-residential.

Residential Fee Rate

It is recommended that the proposed residential fees continue to be assessed on a "dwelling unit" basis rather than on a "square-foot" basis, as was done for the parks and roads fees prior to this update. A per-unit or rooftop fee is easier for customers to understand and calculate, and is common practice among other jurisdictions locally and across the state.

[2] ARS 9-463-05.D.10 states "…a municipality may amend an infrastructure improvements plan adopted pursuant to this section without a public hearing if the amendment addresses only elements of necessary public services in the existing infrastructure improvements plan and the changes to the plan will not, individually or cumulatively with other amendments adopted pursuant to this subsection, increase the level of service in the service area or cause a development fee increase of greater than five per cent when a new or modified development fee is assessed pursuant to this section. The municipality shall provide notice of any such amendment at least thirty days before adoption, shall post the amendment on its website or on the website of an association of cities and towns if the municipality does not have a website and shall provide notice to the advisory committee established pursuant to subsection G of this section that the amendment complies with this subsection."

Uniform Non-Residential Fee Rate

While the City's streets development fee includes different rates for different types of non-residential development (i.e., office, retail, and industrial, based on data published by the Institute for Traffic Engineers) it is more difficult to similarly quantify the demand for fire services based on development type, as detailed data are not readily available. This study assumes the need for fire facilities increases linearly as the built environment expands. A uniform fire facilities fee rate per 1,000 square feet is recommended for all non-residential development, which is also a common practice for fire fees.

Exhibit 2 Calls by Land Use (Residential/Non-Residential)

Land Use	Medical / Rescue	Fire	Other	Total
Non-Residential Calls				
Educational	920	199	68	1,187
Commercial/Office	3,769	458	229	4,456
Industrial, Utility, Defense	101	29	13	143
Institutional	7,697	137	87	7,921
Manufacturing, processing	23	14	11	48
Public Assembly	1,980	173	117	2,270
Warehouse and Storage	340	109	36	485
Dormitory Type Residence	245	80	28	353
Hotels, Motels, Inns, Lodges	685	58	31	774
Boarding/Rooming, residential hotels	54	34	13	101
Subtotal, Nonresidential Calls	***15,814***	***1,291***	***633***	***17,738***
Residential Calls				
Apartments and Other Residential	39,328	580	478	40,386
Single- and Two-Family Dwelling	1,797	1,207	976	3,980
Subtotal, Residential Calls	***41,125***	***1,787***	***1,454***	***44,366***
Total, Classified Calls	**56,939**	**3,078**	**2,087**	**62,104**
Total Unclassified Calls	14,012	2,170	1,346	17,528
Total Calls (classified and unclassified)	70,951	5,248	3,433	79,632
Percent Residential Calls (classified only)	**72.0%**	**58.1%**	**69.7%**	**71.4%**
Percent Non-residential Calls (classified only)	**28.0%**	**41.9%**	**30.3%**	**28.6%**

Data Source: Tucson Fire Department, 2014, revised 7/23/14

■ NECESSARY PUBLIC SERVICES – EXISTING NEEDS

Facilities Valuation

Exhibits 3 – 5 list the existing City of Tucson fire assets by facility, including buildings and land, vehicles and equipment. The building and land valuations were reviewed by a licensed mechanical engineer (Vinnie Hunt, COT General Services Department, Architecture and Engineering Division). The equipment and vehicles valuations were reviewed by a licensed certified public accountant (Karen Tenace, COT Finance Department). The existing value of buildings and land is $ 94,259,289 (Exhibit 3). The value of existing vehicles is $ 51,317,507 (Exhibit 4), and the value of existing equipment is $ 9,903,590 (Exhibit 5). The estimated cost of the fee study update is $35,000. The existing fee fund balance of $2,321,000 is also considered. The total facilities valuation is therefore $ 157,836,386:

Buildings and land	$ 94,259,289
Vehicles	$ 51,317,507
Equipment	$ 9,903,590
Fee study update	$ 35,000
Fee fund balance	$ 2,321,000
Total	$157,836,386

However, for the purposes of calculating the development fee per service unit, the infrastructure value must be adjusted for credits, as discussed in the section following Exhibit 5.

Exhibit 3 Existing Fire Inventory and Replacement Value – Buildings and Land

		Structure			Land				
Building	Address	Structure Sq. Ft.	Cost/SF	Replacement Cost	Acres	SF/Acre	Total SF	Comp Value/SF	Land Value
Station 1	300 S. Fire Central Place	64,993	344	22,349,793	3.49	43,560	151,880	$40.00	$ 6,075,200
Station 3	24 N. Norris Ave.	3,177	344	1,092,507	0.45	43,560	19,680	$10.00	$ 196,800
Station 4	2100 N. Dragoon St.	9,532	344	3,277,864	1.77	43,560	*76,938*	$ 3.50	$ 269,283
Station 5	2835 E. Grant Rd.	7,226	344	2,484,877	1.10	43,560	*47,790*	$10.00	$ 477,900
Station 6	10251 S. Wilmot Rd.	7,307	344	2,512,713	2.42	43,560	105,389	$ 2.50	$ 263,473
Station 7	4902 E. Pima St.	9,238	344	3,176,763	1.50	43,560	*65,490*	$10.00	$ 654,900
Station 8	250 W. King Rd.	6,400	344	2,200,832	1.07	43,560	*46,613*	$ 5.00	$ 233,065
Station 9	6275 E. Eastland St.	7,756	344	2,667,133	1.25	43,560	*54,475*	$ 6.00	$ 326,850
Station 10	797 & 801 E. Ajo Way	6,932	344	2,383,776	1.50	43,560	*65,459*	$ 5.00	$ 327,295
Station 11	4075 E. Timrod St.	3,323	344	1,142,713	0.43	43,560	*18,900*	$10.00	$ 189,000
Station 12	250 S. Harrison Rd.	3,988	344	1,371,393	0.64	43,560	*28,000*	$ 6.00	$ 168,000
Station 13	7975 E. Stella Rd.	3,455	344	1,188,105	3.80	43,560	*165,528*	$ 6.00	$ 993,168
Station 14	5757 S. Liberty Ave.	3,832	344	1,317,748	0.52	43,560	*22,500*	$ 5.00	$ 112,500
Station 15	2002 S. Mission Rd.	3,676	344	1,264,103	2.26	43,560	*98,446*	$ 5.00	$ 492,230
Station 16	7575 E. Speedway Bl.	8,692	344	2,989,005	2.82	43,560	122,857	$10.00	$ 1,228,570
Station 17	5270 S. Houghton Rd.	8,921	344	3,067,753	5.10	43,560	*222,012*	$ 2.50	$ 555,030
Station 18	1855 W. Drexel Rd.	1,328	344	456,673	2.00	43,560	*87,120*	$ 5.00	$ 435,600
Station 19	9700 Est Esmond Loop	6,728	344	2,313,625	7.82	43,560	*340,639*	$ 2.75	$ 936,758
Station 20	4798 N. First Ave.	11,085	344	3,811,910	1.49	43,560	*65,000*	$ 8.15	$ 529,750
Station 21	8620 E. Tanque Verde Rd.	11,085	344	3,811,910	2.07	43,560	*90,169*	$ 3.61	$ 325,511
Station 22	6810 S. Alvernon Way	15,658	344	5,384,473	7.81	43,560	*340,141*	$ 1.24	$ 421,775
Comm. Ctr.	4004 S. Park Ave.	6,800	394	2,677,636	0.57	43,560	24,635	$ 5.00	$ 123,175
Fire Maint. & Warehouse	720 East Ajo Way	62,964	90	5,664,871	1.45	43,560	*63,056*	$ 5.00	$ 315,280
***PSAT not eligible**									
	Totals			78,608,177					15,651,112
Total Land and Building				**$ 94,259,289**					

Exhibit 4 Existing Fire Inventory and Replacement Value – Vehicles

Vehicle	# of Units	Unit Cost	Total Replacement Cost
Ambulance	33	$ 250,000	$ 8,250,000
Car Fire Prevention	5	$ 20,798	$ 103,991
Fork Lift	1	$ 24,570	$ 24,570
Ladder Platform	2	$ 1,500,000	$ 3,000,000
Ladder Tender	9	$ 250,000	$ 2,250,000
Ladder Truck	11	$ 750,000	$ 8,250,000
Marked Cars	13	$ 38,000	$ 494,000
Pumper Unit	41	$ 580,000	$23,780,000
Specialty Vehicle	5	$ 314,840	$ 1,574,199
Support Vehicle	18	$ 26,928	$ 484,708
Truck Air Power	1	$ 261,337	$ 261,337
Truck Brush	2	$ 56,529	$ 113,058
Truck Command	9	$ 57,914	$ 521,229
Truck Fire Prevention	40	$ 17,236	$ 689,423
Truck Haz Mat	2	$ 450,000	$ 900,000
Truck Haz Mat-Waste Recovery	1	$ 59,089	$ 59,089
Truck Mass Medical	1	$ 142,705	$ 142,705
Truck Rescue	9	$ 25,187	$ 226,686
Water Tender	1	$ 192,512	$ 192,512
Total			**$ 51,317,507**

Exhibit 5 Existing Fire Inventory and Replacement Value – Equipment

Equipment	# of Units	Unit Cost	Total Replacement Cost
Air Compressor	10	$ 53,000	$ 530,000
Cardiac Monitor	42	$ 25,000	$ 1,050,000
Communication Equipment	8	$ 180,509	$ 1,444,072
Computer	2	$ 18,910	$ 37,819
Haz Mat Decon	1	$ 28,252	$ 28,252
Haz Mat Meter	5	$ 8,107	$ 40,537
Haz Mat Meter Radiation	8	$ 8,163	$ 65,302
Jaws of Life	105	$ 7,059	$ 741,183
Lap Tops- Emergency Communication (many units, 2 Capital Projects)	2	$ 1,782,822	$ 3,565,645
Office Equipment	12	$ 13,075	$ 156,898
Phone System	4	$ 32,056	$ 128,225
Pulse Ox Meter	10	$ 7,000	$ 70,000
Safety Trailer	1	$ 63,186	$ 63,186
Scrubber Sweeper	1	$ 62,240	$ 62,240
Specialty Equipment	32	$ 19,394	$ 620,607
Staffing Software	1	$ 112,362	$ 112,362
Station Traffic Control	2	$ 24,970	$ 49,940
Stove	1	$ 10,060	$ 10,060
Thermal Imager	47	$ 13,162	$ 618,599
Trailer	7	$ 12,745	$ 89,213
Training Prop	9	$ 19,857	$ 178,711
Vehicle Maint. Equipment	7	$ 18,283	$ 127,980
Video Equipment	7	$ 16,108	$ 112,759
Total			**$ 9,903,590**

Credit – Adjusted Facilities Valuation

Credit is given for outstanding debt on existing facilities, because new development will help repay this debt. This includes $18,541,060 in outstanding debt on 1994 and 2000 bonds; and $54,219,651 in outstanding Certificates of Participation (COPs). Credit is also given for $4,321,675 for federal grants used to purchase fire equipment, because this represents outside funding, i.e., City residents didn't pay for these facilities. The total credit is $77,082,386.

CREDITS

Outstanding debt, existing facilities	$18,541,060
Outstanding COPs	$54,219,651
Federal grants , equipment	$ 4,321,675
Total Credits	$77,082,386

Net Facilities Valuation

Exhibit 6 shows the net fire facilities valuation, which is **$80,754,000**. This includes the total facilities valuation of $157,836,386 minus the total credits of $77,082,386.

Net Facilities Valuation – Exhibit 6

Buildings and land	$ 94,259,289
Vehicles	$ 51,317,507
Equipment	$ 9,903,590
Fee study update	$ 35,000
Fee fund balance	$2,321,000
Subtotal	**$ 157,836,386**
Credit – outstanding debt	($ 18,541,060)
Credit – outstanding COPs	($54,219,651)
Credit – federal grants	($ 4,321,675)
Subtotal	**($77,082,386)**
Net Facilities Valuation, 2014	**$80,754,000**

■ FIRE SERVICE COST PER UNIT

ARS §9-463.05(E)(4) requires that the infrastructure improvements plan include *"A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial."*

The Fire Facilities unit costs, for residential and non-residential land uses, are shown in Exhibit 7, and are calculated as follows. The socioeconomic data were provided by the Pima Association of Governments, and are consistent with the data in the Land Use Assumptions report.

For residential development, the net value of the fire facilities is multiplied by the proportion of calls from residential uses (71% or 0.71). This value is divided by the 2014 population of Tucson (529,962) to get a per capita cost of $108.19. The per capita cost is then multiplied by the average number of persons per single family residential unit (2.8 persons/household) to get the **cost per single family unit, i.e., the fire facility cost for one service unit or SU ($302.93)**. The $302.93 cost or net value per SU established in Exhibit 7 is the "specific level of use" that is used as the basis for the level of service for future development. Similarly, the cost per Condo/Attached unit is the per capita cost multiplied by 1.9 persons per household, which yields $205.56, while the cost per MFR/Apartment is the per capita cost multiplied by 1.7 persons per household, which yields $183.92

Similarly, for non-residential development, the net value of the fire facilities is multiplied by the proportion of calls from non-residential uses (29% or 0.29). This value is divided by the total existing non-residential building area in 1000s of square feet (149,075) to get a **cost per 1000 square feet of non-residential building area, or $157.09**. This number is then divided by the fee per residential SU ($302.93) to get the fire SU multiplier per 1000 square feet of non-residential development (0.52, see Exhibit 7).

Exhibit 7 Cost per Unit: Residential and Non-Residential Uses

RESIDENTIAL FEES, PER UNIT

Net Facilities Value	$ 80,754,000
Multiply by residential percentage	0.71
Equals residential share	$ 57,335,340
Divide by Tucson 2014 population	529,962
Equals Residential Cost Per Person	$ 108.19
SFR fee (also fee per one SU) – multiply per capital fee by 2.8 persons per household	**$ 302.93**
Condo/Attached Dwelling Unit fee – multiply per capita fee by 1.9 persons per household	**$ 205.56**
MFR/Apartment fee – multiply per capital fee by 1.7 persons per household	**$ 183.92**

NON-RESIDENTIAL FEES, PER 1000 SQ. FT.

Net Facilities Value	$ 80,754,000
Multiply by non-residential percentage	0.29
Equals non-residential share , rounded	$ 23,418,660
Divide by total existing nonresidential square footage, per 1000 sq. ft.	149,075
Equals non-residential fee per 1000 sq. ft.	$157.09
Non-residential fee: Cost Per 1,000 sq. ft. non-residential use	**$ 157.09**
Divide by fee per residential SU to get SU per 1000 SF non-residential use	0.5186

Exhibit 8 shows the existing (2012) fees, prior to this update, and the current (proposed) fees, rounded to the nearest dollar. All fees are decreasing due to a decreased net facility valuation. Residential fees also changed due to the residential multipliers used. The non-residential fee was affected by the increase in non-residential square footage, which tends to decrease the fee.

EXHIBIT 8 EXISTING AND PROPOSED DEVELOPMENT FEES

Land Use	Existing Fees	Current (Proposed) Fees	Change
SFR	$ 357	$ 303	($ 54)
Condo/Attached Unit	$ 357	$ 206	($ 151)
MFR/Apartment	$ 263	$ 184	($ 79)
Non-Residential Uses, per 1000 Sq. Ft.	$ 196	$ 157	($ 39)

■ ESTIMATED FEE COLLECTION, 2015 - 2025

The unit costs are applied to the projected new development, i.e., the projected number of new units of residential and non-residential development, to estimate the fire facility fees that will be collected over the 10-year planning period. The projected amount of new development is from the Land Use Assumptions report. Exhibit 9 shows that the total projected fire development fee revenues are $13,861,952 for the ten-year period 2015 – 2025, based on the projected number of residential and non-residential units of new development.

EXHIBIT 9 – PROJECTED FIRE FEE REVENUES, 2015 – 2025
PROJECTED NUMBER OF NEW UNITS

Land Use	SFR	Condo/Attached Unit	MFR/Apartment	Non-Residential Use, per 1000 Sq. Ft.
Project # of new units, 2015 - 2025	18,373	3,928	8,255	38,007
Fee per unit, Proposed	$302.93	$205.56	$183.92	$157.09
Proposed fee per unit, rounded	$303	$206	$184	$157
Estimated fees, 2015 – 2025	$5,565,733	$807,440	$1 ,518,260	$5,970,520
Total Residential Fees	$7,891,432			
Total Non-Residential Fees	$5,970,520			
Total Fees	**$13,861,952**			

Exhibit 10 shows the projected fee revenues based on the projected number of new **service units**, which total $13,862,379. The difference between the projected fees calculated in Exhibits 9 and 10 is due to rounding in the calculations. The number of new service units in Exhibit 10 is obtained by multiplying the projected number of new units by the service unit multiplier for each land use category (see Exhibit 11).

EXHIBIT 10 – PROJECTED FIRE FEE REVENUES, 2015 – 2025
PROJECTED NUMBER OF NEW SERVICE UNITS (SUs)

Land Use	SFR	Condo/Attached Unit	MFR/Apartment	Non-Residential Use, per 1000 Sq. Ft.
Projected # of new SUs, 2015 - 2025	18,373 = (18,373 x 1.0)	2,666 = (3,928 x 0.6786)	5,012 = (8,255 x 0.6071)	19,710 = (38,007 x 0.5186)
Fee per SU, Proposed	$302.93	$302.93	$302.93	$302.93
Estimated fees, 2015 – 2025	$5,565,733	$807,611	$1,518,285	$5,970,750
Total Residential Fees	$7,891,629			
Total Non-Residential Fees	$5,970,750			
Total Fees	**$13,862,379**			

EXHIBIT 11 – FIRE SERVICE UNIT MULITPLIERS

		Residential Multipliers
Residential Land Use	**Avg. Household Size**	
SFR detached	2.8	2.8/2.8 = 1.0
Condo/Attached Unit	1.9	1.9/2.8 = 0.6786
MFR/Apartment/Mobile Home	1.7	1.7/2.8 = 0.6071
		Non-Residential Multiplier
Fee per 1000 sq. ft. Non-residential use = $157.09	Fee per SU = $302.93	$157.09/$302.93 = 0.5186

■ NECESSARY PUBLIC SERVICES - NEW DEVELOPMENT

As required in ARS §9-463.05(E), the infrastructure improvements plan shall include, "*A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.*"

The fire department has provided a 10-year unmet needs list with development fee eligible projects (see Exhibit 12), which indicates a total of $17,636,000 in fire service facility needs for 2016 – 2025.

This section highlights the greater flexibility afforded by the incremental expansion method of determining the existing level of service and per service unit fee because a change in the list of necessary public services needed to serve new development will not cause a change in the value of the level of service (net facilities value) established in Exhibit 7 or the resultant development fee.

Exhibit 12 Ten-Year Project Plan, Development Fees - Fire

Project Name	2016	2017	2018	2019	2020	201	2022	2023	2024	2025	Total
Equipment for New Station											
Northwest Engine with equipment			$730,000								$ 730,000
Northwest Ladder with equipment			$1,670,000								$ 1,670,000
Northwest Paramedic with equipment			$330,000								$ 330,000
Northwest Rescue Truck			$110,000								$ 110,000
Northwest Mobile Air Compressor			$150,000								$ 150,000
Southwest Engine with equipment				$ 730,000							$ 730,000
Southwest Ladder with equipment				$1,670,000							$ 1,670,000
Southwest Paramedic with equipment				$330,000							$ 330,000
Southwest Rescue Truck				$110,000							$ 110,000
Southwest Mobile Air Compressor				$150,000							$ 150,000
Total Equipment for New Station	$ -	$ -	$2,990,000	$2,990,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,980,000
New Station and Land											
Station Capacity Expansion - Station 14	$920,000										$ 920,000
Station Capacity Expansion - Station 18		$920,000									$ 920,000
New Northwest Station-Land		$600,000									$ 600,000
New Northwest Station-Bldg			$3,308,000	$1,000,000							$ 4,308,000
New Southwest Station-Land			$ 600,000								$ 600,000
New Southwest Station-Bldg				$3,308,000	$1,000,000						$ 4,308,000
Total New Station and Land	$920,000	$1,520,000	$3,908,000	$4,308,000		$-	$-	$ -	$ -	$ -	$11,656,000
TOTAL	**$920,000**	**$1,520,000**	**$6,898,000**	**$7,298,000**	**$1,000,000**	**$-**	**$ -**	**$ -**	**$ -**	**$ -**	**$17,636,000**

■ PROJECTED REVENUES AND COSTS, 2015 – 2025

The projected revenues and costs are summarized in Exhibit 13. Because the target Fire level of service is calculated as a per service unit value, the projected fire service needs can be calculated by simply multiplying the sum of the number of new residential and non-residential **service units** (26,051 + 19,710 = 45,761 SUs) by the $302.93 fee per service unit (see Exhibit 10). The result is the projected revenue from fees for the 10-year planning period. It is expected that these funds will be available for applicable fire service improvement projects from 2016-2025. The fee fund balance is added to the projected revenues to get the projected available funds over the ten-year period, $16,183,380. The difference between projected costs and available funding is ($1,452,620). In other words, the projected costs exceed projected available funds by $1,452,620.

Exhibit 13 Projected Revenues and Costs, 2015-2025

New SUs	Fee/SU	Projected Revenue 2015-2025	Current Fee Fund Balance	Available Funds, 2015-2025	Planned Costs	% of Planned Costs
45,761	$302.93	$13,862,380	$2,321,000	$16,183,380	$17,636,000	92

■ REVENUE CONSIDERATIONS

Fire development fee revenues will be used to purchase new vehicles and equipment and to build new or expand existing fire stations and facilities, in accordance with statutory provisions. Projected average annual revenues based on fees set at this level would be approximately $1.39 million per year. This projection is based on the average number of units expected to be built annually over the next 10 years. It is important to keep in mind that this is only an estimate, and revenues will be a function of actual development, which is dictated primarily by market conditions.

APPENDIX

List of Preparers

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